Clarification from the Shell India Pvt. Ltd.

2530. SHRI P. K. MAHESHWARI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether M/s Shell India Pvt. Ltd. has asked his Ministry if the 26 per cent disinvestment clause imposed on its wholly-owned subsidiary in 1999 still stands good;

(b) if so, the details thereof;

(c) whether M/s Shell India Pvt. Ltd. has proposed to undertake trading in Chemical and Petro Chemical Products in the country; and

(d) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) to (d) Yes, Sir. M/s Shell India Pvt. Ltd. sought clarification in August, 2002 regarding the applicability of divestment of its 26% stake to resident Indians and also proposed to undertake trading in chemical and petro-chemical products in the country. After consideration by the Foreign Investment Promotion Board, the proposal was rejected and it was clarified to the company that, being an entry level condition, the 26% divestment clause will remain applicable.

FDI in tea Industry

† 2531. SHRI HARENDRA SINGH MALIK: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is fact that a huge decline has been registered in the export of Indian Tea in the last two years;

(b) if so, the details thereof;

(c) whether Indian Tea Industry is likely to grow by Government allowing hundred per cent foreign direct investment;

(d) if so, the target fixed by Government for the export of tea during the current year;

(e) whether the said target is likely to be achieved; and

(f) if not, the reasons therefor?

† Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI): (a) and (b) The export of tea from India increased from 192.44 million kgs. in 1999-2000 to 203.55 million kgs. in 2000-01. However, in the subsequent financial year, 2001 -02, the export declined to 190 million kgs.

(c) FDI in tea sector which has been recently approved by the Central Government would assist in generating the required capital for modernization of the tea industry and rejuvenating the tea plantation sector. This, in turn would help the Indian tea industry become more competitive in the world market.

(d) to (f) The Government has set an export target of 200 million kgs. of tea for the current financial year 2002-03 and about 55% of the annual target has been achieved in the first seven months *i.e.* April-October, 2002. It is not possible to predict regarding shortfall in the fulfilment of the target at this juncture. Efforts are underway to fulfil the targets fixed.

Imbalances in decision making in WTO

2532. SHRI PRASANTA CHATTERJEE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government propose reforms to address imbalances in global decision making in relation to trades;

(b) if so, the details thereof; and

(c) the steps being taken to help better representation of interest at WTO in the face of decisions being taken by influential countries?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV-PRATAP RUDI): (a) to (c) Article IX of the Marakesh Agreement Establishing the WTO (WTO Agreement) provides the basis for decision making in the WTO. It lays down that the "WTO shall continue the practice of decision-making by concensus followed under GATT 1947. Except as otherwise provided, a decision cannot be arrived at by consensus, the matter at issue shall be decided by voting. At meetings of the Ministerial Conference and the General Council (the highest decision making organs of the WTO), each Member of the WTO shall have one vote....Decisions of the Ministerial Conference and the